

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

Date:

NOV 27 1990

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax as an organization described in section 501(c)(13) of the Internal Revenue Code.

You were created [REDACTED] to provide a fund for placing flowers on gravesites situated in the [REDACTED] Cemetery. The [REDACTED] Cemetery is located at [REDACTED] in [REDACTED]. There is a total of [REDACTED] plots in the church cemetery. The cemetery is maintained by the Church and at the present time no plots are being sold. The Church does not participate in this fund and it does not receive any monies from this fund.

This flower fund is limited to any [REDACTED] descendant who has a relative interred in the [REDACTED] Cemetery. Any [REDACTED] descendant wanting to join the Fund must pay \$[REDACTED] for one person buried in the cemetery, \$[REDACTED] for a family of four or less buried in the cemetery, or \$[REDACTED] for a family of more than four buried in the cemetery. The fund will be operated from interest income only since principal may not be expended for the flower fund. Out of [REDACTED] plots located in the cemetery [REDACTED] plots are [REDACTED] ancestors. This fund will be used to provide flowers for only [REDACTED] of the [REDACTED] plots.

Section 501(c)(13) of the Code provides for the exemption of cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit; and any corporation chartered solely for the purposes of disposal of bodies by burial or cremation which is not permitted by its charter to engage in any business not necessarily incident to that purpose and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Rev. Rul. 58-190, 1958-1 C.B. 15 provides that a perpetual care organization may come within the meaning of the term cemetery company. These organizations are formed to receive and hold funds in trust for the perpetual care and maintenance of cemeteries. Although these organizations do not own land dedicated to the burial of the dead or perform other services

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usual to a cemetery company, they provide an essential part of the functions of the cemetery companies. They are thus so closely connected with the actual cemetery companies that they partake of the character of the companies for purposes of determining whether they are exempt under section 501(c)(13) of the Code.

Your sole purpose is to provide flowers to certain gravesites in the ██████████ Cemetery at least once a year. You do not perform any service which is essential to the maintenance of the cemetery as a whole. Therefore, you are not a "perpetual care organization" within the meaning of Rev. Rul. 58-190. Furthermore, since you provide flowers only for gravesites of ██████████ descendants who have a relative interred in the cemetery it appears that your net earnings inure to the benefit of private individuals within the meaning of section 501(c)(13) of the Code. For the reasons indicated above, you are not entitled to exemption from Federal income tax under section 501(c)(13) of the Code and you are required to file income tax returns.

You have the right to protest our ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement must be submitted within 30 days of the date of this letter and must be signed by one of your officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement. If you are to be represented by someone who is not one of your officers, he/she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements.

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key District Director. Thereafter, if you have any questions about your federal income tax status, including questions concerning reporting requirements, please contact your key District Director.

[REDACTED]

You will expedite our receipt of your reply by using the following address.

Internal Revenue Service

[REDACTED]
1111 Constitution Ave., NW
Washington, DC 20224

Sincerely yours,

[REDACTED]
[REDACTED]
Chief, Exempt Organizations
Rulings Branch 1

CC:DD Atlanta 6-21-91 [REDACTED]
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